# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

STARRED QUESTION NO:60
ANSWERED ON:03.12.2004
FOREIGN TRADE POLICY FOR TEXTILE SECTOR
Adsul Shri Anandrao Vithoba

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether textile sector is a principal source of export earning for India;

(b) if so, whether the Government has not included textiles among the dynamic sector identified in the foreign trade policy document;

(c) if so, the reasons thereof;

(d) whether following the phasing out of the Multi Fibre Agreement by the year end opens up vast potentialities;

(e) whether there is an urgent need for India to identify the lines of export in the textile sector in which it has competitive advantage;

(f) if so, whether the Government would consider inducting the textile as a part of the foreign trade policy to enhance competitiveness; and

(g) if so, the steps taken by the Government in this regard ?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI E.V.K.S. ELANGOVAN)

(a) Textile exports (including handicrafts, jute and coir) currently account for 21% of our total exports.

(b) Handicrafts and handloom segments of the textile sector, among others, have been identified as Special focus Initiative in the new Foreign Trade Policy.

(c) Does not arise, in view of (b) above.

(d) Yes, Sir.

(e) to (g) A Statement is laid down on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (e) to (g) OF LOK SABHA STARRED QUESTION NO. 60 DUE FOR ANSWER ON 03.12.2004 REGARDING FOREIGN TRADE POLICY FOR TEXTILE SECTOR

(e) According to a recent study by CRISIL (commissioned by Indian Cotton Mills Federation), the Indian textiles and apparel industry can achieve a potential size of US$ 85 billion by 2010, of which, the domestic market potential would be US$ 45 billion and export potential would be US$ 40 billion. Nearly 60% of exports would comprise garments.

(f) & (g): Foreign Trade Policy has always accorded priority status to the Textile sector. This is evident from the fact that there is a separate chapter in the Handbook of Procedures Volume-II defining Input/Output Norms for 362 categories of textile and garment products. Similarly DEPB rates have been fixed for every conceivable textile product that is being exported from the country. Moreover, handloom has been identified as one of the special Initiative Focus sectors in the Foreign Trade Policy.